

3.5 Advanced Technologies Segment



Relying on a strong partnership

EPCOS, a TDK group company, develops and manufactures electronic components, modules and systems, focusing on fast-growing markets, which include information and communications technology, automotive electronics, industrial electronics and consumer electronics. Electronic components are found in nearly all electrical and electronic devices. A single car can contain as many as 10000 such components. In mobile devices such as smartphones, tablets and cell phones, radio frequency filters are absolutely vital. Their most important applications include transmit and receive systems, where they enable telephony, Internet access and navigation as well as connectivity via wireless LAN and Bluetooth. “In the past year we have significantly increased our capacity with Oerlikon Systems’ solutions in order to meet the demand for these unique products,” says Otto Graf, Chief Operations Officer of the Systems, Acoustics, Waves Business Group. “We rely on and value our strong partnership with Oerlikon to stay ahead in a fast-moving industry. We need to work with partners who are the most dynamic and innovative and in whom we have the utmost trust to deliver. With the CLUSTERLINE® platform, Oerlikon provides us with leading sputtering solutions and with the highest levels of customer support.”

1. Substantial sales growth of 8.7 %.
2. 50 % increase in R&D investments.
3. Innovation enables customers to more than double productivity.

Key figures

in CHF million	2013	2012	Δ %
Order intake	114	119	-4.2 %
Order backlog	25	25	0.0 %
Sales ¹	113	104	8.7 %
EBIT	4	7	-42.9 %
EBIT margin	3.7 %	6.6 %	-

¹ Sales include CHF 1 million intercompany sales in 2012.

Best-in-Class

Veeco Instruments: negative operating margin (2013)



Business performance

The Advanced Technologies Segment reported a significant sales growth in 2013. Total sales increased by 8.7% and reached CHF 113 million compared to CHF 104 million in 2012. Order intake was at CHF 114 million similar to last year's level (2012: CHF 119 million). Order backlog at year-end was stable at CHF 25 million. In the period under review, the global market for semiconductor equipment remained weak; the recovery will only take place in 2014. Oerlikon Systems' solutions to satisfy the rising demand for mobile devices (smartphones, tablets and notebooks) and energy-efficient solutions (LEDs, power devices) compensated for the overall development in the semiconductor industry.

The Segment intensified its R&D activities by 50% in 2013 to develop and qualify innovative solutions in strategic markets for semiconductors and nanotechnology. As expected, this substantial investment in growth opportunities affected profitability in 2013. EBIT reached CHF 4 million (2012: CHF 7 million), and the Segment posted an EBIT margin of 3.7%, which compares to 6.6% in 2012.

Regionally, the Asian market dominated sales volumes and represented 51% of total Segment sales, remaining stable compared to the previous year's volume. The customers in Europe accounted for 36% of total Segment sales after reporting an increase of 24% compared to 2012. The North American market grew by 18% and represents 12% of the Segment's business. Other regions accounted for the remaining 1% of the Segment sales.

Oerlikon Systems continuously focused on intensive cooperation and reliable partnerships with its key customers, a commitment and performance that was again recognized by its global customers. For the 14th consecutive year, the Oerlikon Systems team was named one of the 10 BEST Suppliers in the VLSIresearch annual customer satisfaction survey, which sets the benchmark in the semiconductor industry. In 2013, the Oerlikon team won awards in three different categories and was specifically recognized for its after-sales service, customer commitment, product performance and uptime.

Key topics

Innovation to double productivity

The Advanced Technologies Segment introduced and qualified its CLUSTERLINE® 300 II for the production of power devices. Oerlikon Systems is the first supplier to offer equipment that can handle ultrathin 300-millimeter wafers for backside metallization of power devices instead of the common 200-millimeter wafers. The previous model CLUSTERLINE® 200 II was qualified 10 years ago and is the established solution at most major power device manufacturers. The adoption of 300-millimeter wafer production requires innovative solutions, increased auto-

mation and wafer handling capabilities. The successful transition from 200- to 300-millimeter volume production is further proof of the Segment's technological leadership in thin wafer handling and processing.

The new CLUSTERLINE® 300 II provides customers with significant productivity gains. Because a 300-millimeter wafer has 2.25 times the area of a 200-millimeter wafer, the CLUSTERLINE® 300 II more than doubles the productivity of a production line compared to the 200-millimeter format.

Outlook

In 2014, the Advanced Technologies Segment expects sales growth and an improvement in profitability.